

# THE Mentor

News from the State Retirement and Pension System of Maryland

SUMMER 2005  
VOL. 27 NO. 4



STATE RETIREMENT  
and PENSION SYSTEM  
of MARYLAND

## Sheila Hill reelected to Board of Trustees

SHEILA HILL, A 17-YEAR STATE EMPLOYEE AND CORRECTIONAL OFFICER, was reelected to the Board of Trustees this summer in the State Retirement and Pension System of Maryland's first electronic election.

Members and retirees voting by phone and Internet favored Ms. Hill with 50.76% of the votes cast. Challengers Joseph C. Bryce and Barry N. Chapman received 39.26% and 9.91% of the vote, respectively. Unexercised votes yielded the balance of .07%.

Trustee Hill's new term on the Board began August 1. Ms. Hill represents members and retirees of the Employees' Retirement and Pension Systems, Judges' Retirement System, Correctional Officers' Retirement System, Law Enforcement Officers' Pension System, Local Fire and Police System, and Legislative Pension Plan.

Ms. Hill serves on the Administrative and Investment Committees.

## System reports second consecutive year of strong investment returns

THE STATE RETIREMENT AND PENSION SYSTEM OF MARYLAND has achieved a second straight year of strong investment returns. In the fiscal year ending June 30, 2005, the Retirement System gained 9.5% on invested assets. The Retirement System's net assets held in trust for pension benefits increased to \$32.1 billion, an increase of more than \$1.9 billion from the 2004 fiscal year end level.

Over the past two fiscal years, net assets held in trust for pension benefits have increased by \$5.3 billion. Overall equity returns for the fund were 8.8%, with domestic equity returning 6.9% and international equity 14.0%. Returns on real estate exceeded 27%.

Board Chairman and State Comptroller, William Donald Schaefer, noted that the Board's

continued focus on investment policies, such as asset allocation, and diligent implementation by staff provides a solid foundation for continued success. "Every participant can remain firmly confident in his or her retirement system," said Comptroller Schaefer. "The investment decisions we have made, and the strict adherence to those decisions, continue to produce strong returns."

Vice Chairman and State Treasurer, Nancy K. Kopp, added that the positive momentum in investment performance is a clear indication that the System is sound and retirement benefits are secure. "Our System's Trustees and staff have placed us, and maintained us, on a solid path for success. We are very pleased with these results and the hard work that has produced them," stated Treasurer Kopp.

# Your Personal Statement of Benefits

## EACH ACTIVE MEMBER OF THE STATE RETIREMENT AND PENSION SYSTEM (SRPS) this fall

will receive by mail a Personal Statement of Benefits (PSB) summarizing his or her retirement account. The information contained in the PSB reflects your account status as of June 30, 2005. Your annual PSB is a valuable tool for retirement planning.

The death benefits shown on the PSB apply only to active members. If you should go off payroll prior to retiring and are not on a State Retirement Agency approved leave of absence, your designated beneficiary(ies) will only receive your accumulated contributions, if any, with interest at your death.

Answers to frequently asked questions about the PSB are provided below.

### 1. Why is my enrollment date later than my employment date?

Most employees' enrollment date is the first day of the month they started working. A later date may appear for employees who began work prior to the mid-seventies. Processing requirements at the time caused a one or two month delay between the member's first day on the job and the start of

retirement contributions from the member's paycheck. To purchase this lapsed time, submit a Form 26, *Request to Purchase Previous Service*. This purchased time will be listed under Service Credit in the following year's PSB, but your enrollment date will remain the same.

### 2. Why isn't my military credit listed?

It's up to each eligible member to claim military service. Military service is not automatically credited to a member's account. File a Form 43, *Claim of Retirement Credit for Active Duty Military Service*, to apply for military credit. Members who serve in the U.S. Armed Forces or Maryland National Guard during their SRPS membership may claim military credit immediately under certain conditions. Members whose military duty preceded SRPS membership must have 10 years of retirement credit before claiming military service.

### 3. Why do I have a "deficiency" under contributions?

When sufficient retirement deductions are not made during any pay period, the word "deficiency" appears. The deficiency equals the amount of the missing contribution, plus interest applied at the end of each fiscal year.

This year's PSB shows contribution deficiencies for members subject to a 2% payroll contribution.

To repay a contribution deficiency, members should contact the Retirement Agency and request to be billed for this amount. Payment made before the end of the fiscal year carries no interest for that year. If a contribution deficiency exists when a member retires, the benefit paid will be actuarially reduced.

### 4. How do I change beneficiaries?

To change beneficiaries, contact your personnel office or go to our Web site at [www.sra.state.md.us](http://www.sra.state.md.us) and get the *Beneficiary Designation* (Form 4.) It is vital to keep beneficiary choices up to date, because when a member dies during active membership, survivor benefits are paid to his or her designated beneficiary(ies).

### 5. Why isn't early retirement listed?

The space under Early Service is left blank for members who reach regular service retirement age before earning the required years of service for early retirement, if applicable.

#### 6. What about part-time employment?

Service credit may be overstated on the PSB for persons who worked part time during their membership. This is especially likely for members who transferred from the Retirement System to the Pension System. The PSB assumes all future service as full time, so if you are working part time now, your benefits may be overstated.

#### 7. What's a PIN?

A member's PIN (Personal Identification Number) is a four digit code consisting of the month and year of his or her enrollment. For example, if you enrolled in January 2005, your PIN would be 0105. Members can use their PIN and Social Security number to access retirement account information via the SRPS automated phone system.

#### What if I have other questions concerning my PSB?

If something on your PSB doesn't seem correct, note the discrepancy and send a photocopy of your statement to the address below. Also, indicate how you arrived at your conclusion. Address your correspondence to:

State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202-6700.

## Changing jobs? Don't forget to transfer your retirement credit

**IF YOU RECENTLY CHANGED JOBS** and retirement or pension systems, you may be eligible to transfer the service credit that you earned in the former system into your new retirement or pension account. To qualify for the transfer of service credit, your employment must be continuous and you must apply to transfer the qualified credit within one year of becoming a member of your new system. Under these rules, *continuous employment* means that you changed jobs without incurring a break in employment.

**It is important to remember that any transfer of service credit must be done within one year after becoming a member of your new system.** There are no exceptions.

The rules of your new system determine the amount of employee contributions with interest needed to accompany the transfer of service. If you do not pay these funds, a contribution deficiency will be placed on your account. At retirement, any monies owed to the System will result in an actuarial reduction of your monthly benefit.

Two general types of credit transfers are possible. A member may be eligible to transfer service credit from:

**1** a previous State Retirement and Pension System (SRPS) plan to a new SRPS plan. An example would be a state trooper, with membership in the State Police Retirement System, who accepts a position as a teacher and joins the Teachers' Pension System. To transfer credit within SRPS, you must submit a *Request to Transfer* (Form 37).

**2** a retirement or pension system operated under the laws of any political subdivision of Maryland to an SRPS plan. An example would be a Baltimore City employee, with membership in Baltimore City's retirement plan, who becomes a state employee and joins the Employees' Pension System. To transfer credit earned with a non-SRPS plan, submit a *Request to Purchase Previous Service* (Form 26).

For more information on eligible service transfers, contact a retirement benefits counselor at 410-625-5555 or toll free at 1-800-492-5909.

# State Retirement Agency Regional Counseling Schedule, 2005-2006

Retirement counselors from the State Retirement and Pension System regularly travel throughout Maryland to assist members planning for retirement. Counselors will visit the following locations on the dates listed. To schedule an appointment with a counselor visiting your area, call 410-625-5555 or toll free 1-800-492-5909.

## **Allegany County**

### **Allegany College of Maryland**

Allied Health Building, Conference  
Room 101  
Cumberland  
Sept. 28, Nov. 23, Mar. 14, May 16

## **Anne Arundel County**

### **Comptroller's Office**

Room 305, Goldstein Treasury Bldg.  
80 Calvert St., Annapolis  
Aug. 25, Sept. 22, Oct. 20, Nov. 17,  
Dec. 8, Feb. 16, Mar. 23, Apr. 20,  
May 18

## **Baltimore County**

### **State Highway Administration**

Room 239, SHA Office  
2323 W. Joppa Rd., Brooklandville  
Sept. 26, Oct. 25, Nov. 17, Dec. 13,  
Jan. 12, Feb. 13, Mar. 6, Apr. 4, May 9

## **Calvert County**

### **Board of Education**

Board Room  
1305 Dares Beach Rd., Prince Frederick  
Sept. 19, Nov. 14, Jan. 23, Mar. 20,  
May 22

## **Carroll County**

### **Carroll County Government**

Room 106, County Office Building  
225 N. Center St., Westminster  
Sept. 9, Oct. 21, Nov. 9, Jan. 20, Mar.  
24, Apr. 21, May 26

## **Cecil County**

### **Various Public Schools**

Call the State Retirement Agency  
for locations  
Oct. 18, Nov. 29, Apr. 25, May 23

## **Charles County**

### **Board of Education**

Room 121/122, Central Office Bldg.  
LaPlata  
Oct. 3, Nov. 21, Jan. 9, Mar. 27, May 22

## **Eastern Shore**

### **Eastern Shore Hospital Center**

Cambridge  
Sept. 19, Nov. 28

## **Frederick County**

### **Frederick Community College**

Frederick  
Sept. 16, Nov. 4, Dec. 9

## **Garrett County**

### **Garrett College**

Room 209, Continuing Education Bldg.  
McHenry  
Sept. 27, Nov. 22, Mar. 15, May 17

## **Harford County**

### **Harford County Government Center**

Dept. of Human Resources  
First Floor Conference Room  
220 S. Main St., Bel Air  
Sept. 29, Oct. 27, Jan. 26, Apr. 6

## **Howard County**

### **Howard Community College**

Room ST-254,  
Science and Technology Bldg.  
Columbia  
Sept. 14, Oct. 26, Nov. 30, Dec. 21,  
Jan. 25, Feb. 22, Mar. 29, Apr. 26,  
May 24

## **Montgomery County**

### **Employee and Retiree Service Center**

Suite 190  
Metro Park North  
7361 Calhoun Pl., Rockville  
Sept. 20, Oct. 18, Nov. 22, Dec. 20,  
Jan. 17, Feb. 21, Mar. 21, Apr. 11,  
May 16, Jun. 6

## **Prince George's County**

### **State Highway Administration**

Right Away Conference Room,  
District Office  
9300 Kenilworth Ave., Greenbelt  
Oct. 13, Dec. 21, Feb. 2, Mar. 2,  
Apr. 6, May 3

## **Queen Anne's County**

### **Chesapeake College**

Room EDC-19,  
Economic Development Center  
Wye Mills  
Oct. 17, Dec. 12, Feb. 6, Apr. 3

## **Washington County**

### **Board of Education**

Human Resources Conference Room  
Commonwealth Ave., Hagerstown  
Sept. 23, Oct. 21, Dec. 16, Feb. 24,  
Mar. 31, May 5

## **Wicomico County**

### **Salisbury Multi-Service Center**

First Floor Conference Room  
201 Baptist St., Salisbury  
Oct. 24, Nov. 29, Jan. 30, Apr. 27,  
Jun. 5

*The Mentor* is published by  
The State Retirement Agency  
120 East Baltimore Street  
Baltimore, MD 21202-6700  
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